

**ARIZONA DEPARTMENT OF WATER RESOURCES**

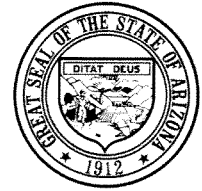
**Office of Assured and Adequate Water Supply**

3550 North Central Avenue, Phoenix, Arizona 85012

Telephone 602 771-8500

Fax 602 771-8689

August 31, 2006



Janet Napolitano  
Governor

Herbert R. Guenther  
Director

Mr. Roy Tanney  
Arizona Department of Real Estate  
2910 N. 44th Street  
Phoenix, Arizona 85018

**Water Adequacy Report** #22-4021910000  
**Subdivision Name:** Cottage Creek Subdivision  
**Owner:** RCI, Inc. and GLNLN Corp.  
**Number of lots:** 11  
**County:** Gila  
**Township** 10 N **Range** 10 E **Section** 3

**Water provided by:** Town of Payson  
**Water Type:** Groundwater  
**Current water depth:** No Information provided  
**Estimated 100-year depth:** No Information provided  
**Current decline rate:** No Information provided  
**Basin:** Lower Verde River

Dear Mr. Tanney:

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, and to determine if the water supply is of adequate quality. No information has been provided to the Department that indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-715 *et seq.* Therefore, the Department of Water Resources finds the water supply to be inadequate to meet the subdivision's projected needs.

Pursuant to A.R.S. §32-2181.F. a summary of the Department's report for those with an inadequate water supply be included in all promotional material and contracts for sale of lots in the subdivisions. We suggest the following synopsis:

"Cottage Creek subdivision is being served groundwater by Town of Payson. The developer has chosen not to demonstrate a 100-year adequate water supply. The criteria for physical, legal and continuous availability as set forth in A.A.C. R12-15-717 were not demonstrated, and proof of adequate water quality as set forth in A.A.C. R12-15-718 was not provided. Therefore the Department must find the water supply to be inadequate. For additional information please contact the Arizona Department of Water Resources at (602) 771-8585."

The developer, pursuant to A.R.S. §32-2181.F., may suggest a different summary of this report, but it must contain the above elements and/or the Department's findings. Any change to the above subdivision or water supply plans may invalidate this decision.

This letter is being forwarded to your office as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Gila County Recorder is being officially notified of the developer's compliance with the law.

Sincerely,

Frank Putman  
Assistant Director

FP/RO/ef  
700355-revised

cc: Gila County Planning and Zoning  
Gila County Recorder  
Ralph O. Bossert, Tetra Tech, Inc.  
Rick Obenshain, ADWR